

## REFRAMING INSTITUTIONS OF REPRESENTATION

*Continued from page 9*

inform the establishment of new social agreements:

- **Firm-level institutions need to engage the parties where the real power lies—at strategic levels of decision-making.** The “old” social contract was enforced by a notion of corporate citizenship that evolved out of the countervailing power exercised through collective bargaining. To rebuild a viable social contract within specific firms today requires engaging more directly in discussions of strategic decisions made at the highest levels of the firm. As Lynn Williams put it: “The problem is we don’t have enough of these types of arrangements. It’s not so much that the ones we have aren’t working, it’s that not enough people and companies have them.”
- **Yet, firm-level arrangements aren’t enough.** The most important theme is the recognition that, given the uncertainty in today’s markets, the rebuilding of social contracts must go beyond the boundaries of any single firm or employment relationship. As Richard Locke from IWER noted, “The enterprise as an entity is fundamentally unstable.” Labor market intermediaries, unions, community groups, and government agencies that support mobility and help coordinate the efforts of single employers will be increasingly important players in this process in the future.

### Where Do We Go From Here? Observations and New Directions

“Fundamentally, the social contracts even at leading firms—those we would otherwise consider to be ‘enlightened employers’—either don’t seem to be working well or aren’t working for all employees,” said Locke. If exemplary employers cannot achieve a social contract that equals employer commitments of the past, the question is: Who can, and how?

Part of the challenge in resolving which terms of the social contract are appropriate for today’s labor market and in creating or updating institutions of representation lies in the need to reframe the debate itself. “It’s going to take a great deal of effort to make progress and overcome some of the historical difficulties in this perennial conversation,” said Kochan. “We are only taking the first steps here in laying out a framework for labor market institutions, policies, and practices that engage the American public, labor leaders, business leaders, community organizers, and government officials.”

One of those first steps is to explore the new models of institutions of representation—both union and nonunion—that have emerged. The features of these models were presented at the Symposium, and overviews of their initiatives are reported on in this issue of *Blueprint*. In sum, they demonstrate that today’s labor movement is engaged in broad-scale experimentation, having recruited a talented and committed set of new leaders who are working at the community, local union, and national levels. Along with greater reception to new ideas has arisen an openness to

forming coalitions with other groups, ranging from researchers to religious leaders to business leaders, all of whom recognize the need for new approaches.

However, considerable controversy remains on many points, such as how to interpret and respond to workplace-based participation processes and how to achieve sufficient power within the workforce for producing substantial change or for overcoming employer opposition in the absence of collective bargaining rights, contracts, or leverage. Although the Symposium was not intended to resolve these debates, it did yield several observations that might point the dialogue in new directions—or perhaps prevent it from traveling down unproductive paths:

- 1. Ground worker representation in a clear set of values.** Institutions for worker representation should serve both instrumental and moral functions. A number of participants emphasized the importance of building institutions that promote democracy, celebrate and enhance the dignity of work and workers, and build community and solidarity across the diversity now present in the labor force. Absent a strong moral foundation and a positive reason to participate, no worker institution is likely to attract a broad following or maintain a sustainable position in society.
- 2. Join issues around work and family.** Any new social contract must be rooted in a commonly shared and deeply held set of values about expectations for the balancing of work and family life. Given the increased number of hours that multiple household members are now working, the potential for work to detrimentally affect family life is an overwhelming concern. “We must think about the core values that we want to achieve in both spheres such as dignity, fairness, and flexibility,” said Kochan, “and build a set of workplace policies and institutions that enable them.” Bringing the concerns of working parents into this discussion may help to reframe the debate and add a new set of powerful and broadly representative voices to the process.
- 3. The more models, the better.** As there is no single model of change in employment relations or arrangements, a variety of new or updated forms of representation will be required to fill the institutional gap. Inside the enterprise, a multitude of innovations around collective bargaining, employee voice and participation, and involvement in strategic decision-making are required. Since the firm’s boundaries are no longer stable, institutions that cut across the employment relationship—particularly those able to provide labor market and life-long educational services as well as portable health care, pensions, and other benefits—are also necessary.
- 4. Expand the representation vocabulary.** “Some of the definitions we use are real barriers to having the type of conversation needed to take us beyond the labor-management impasse,” said Dorothy Sue Cobble of Rutgers University. To



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avoid the traps of well-worn positions, new words must be found and new definitions must be applied to the terms used regarding worker representation before new relationships and creative solutions can be achieved. A starting point may be to think about how innovations within the labor movement, among community groups, and at the workplace can complement each other, rather than seeing them as competing alternatives or substitutes.

**5. Workers should have the right to choose.** As Ron Blackwell of the AFL-CIO said, “There should be agreement on one basic principle: should be the ones to decide whether or not and how to be represented. Unless this principle is honored both in law and practice, no form or forms of representation can succeed.”

**6. Policy should be designed with variations in mind.** Given the range of worker preferences and employment settings, public policies must be flexible enough to cope with this variability, rather than assuming a single type of employment relationship. McGahey expressed the dilemma this context poses for policymaking: “How can we think about a regulatory framework that encompasses both the talented worker who commands high salaries and benefits in tight markets and others with fewer skills and alternatives working at firms that are shedding their obligations to workers whenever possible?”

**WORKING PAPER**

You can also order the following Task Force working paper, prepared for the Symposium:

**“Portability of Benefits, Job Changes, and the Role of Government Policies,” by Robert L. Clark, North Carolina State University**

**WP12**

# Blueprint

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# Blueprint

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The dialogue around new institutions of representation often becomes stalled at a traditional labor-management impasse. To move the debate forward, the Task Force joined with the U.S. Department of Labor to host the "Symposium on Changing Employment Relations and New Institutions of Representation," where participants discussed options for balancing employer and employee interests.

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#### Inspecting Nonunion Models for Employee Voice

Alternative mechanisms of employee voice have sparked considerable debate with much of the controversy focused on employer-based labor organizations. Other models provide examples of ways that beyond collective bargaining, employees can organize to influence conditions in the workplace.

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While many believe that the American labor movement is on an irreversible decline, participants discussed how innovation is occurring at all levels of the movement—from the national to the local—and particularly in new strategies for organizing workers.

#### FUTURE TASK FORCE PUBLICATION:

- Stay tuned for a forthcoming report, written by the Task Force's faculty coordinators that synthesizes the models, strategies, and lessons learned over the last three years.

Changing employment relationships and the shape of labor market institutions to come...

## Reframing Institutions of Representation

Many agree that the system of labor market institutions set in motion by the New Deal has eroded along at least three dimensions: the disappearance of well-defined career paths; the persistent inequality in wages and the shift in how firms set wages; and the dwindling or dismantling of mechanisms for employee voice. "What will replace the traditional system of employee representation?" asks Paul Osterman of MIT's Institute for Work and Employment Research (IWER). The answers, he believes, can be gained by looking at nascent local-level institutions that are already responding to economic changes. "Once we fully understand the array of innovative labor market institutions emerging, then government, industry, labor, community representatives, and other constituencies can take more proactive steps to actually shape what emerges," he said.

"At the moment, what the ultimate institutional structure of the labor market as a whole will be is unclear," says Osterman. "The important point is that, to some extent, we do have choices in shaping what the American labor market will look like in the future." To begin such a discussion, the Task Force joined with the U.S. Department of Labor (DOL) and its Workplace/Workforce of the Future project to host the "Symposium on Changing Employment Relations and New Institutions of Representation" in May of 1999.

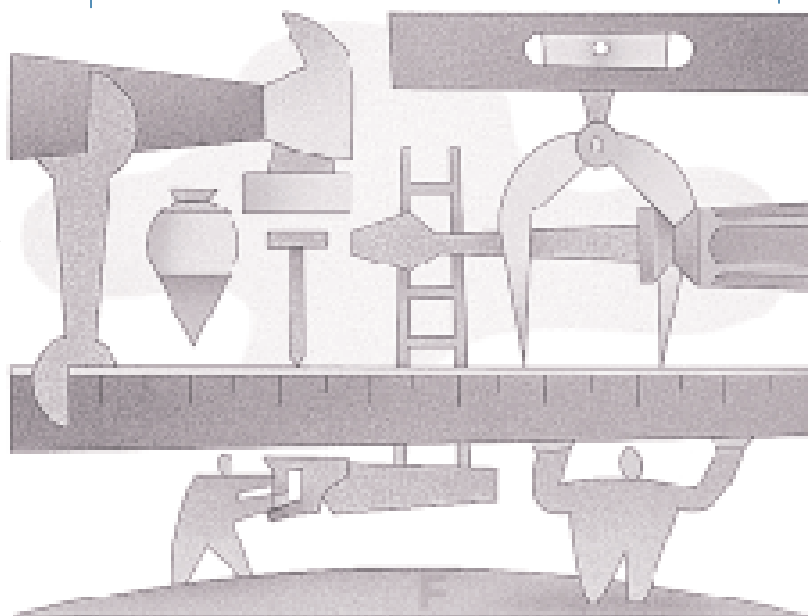
The Symposium was designed to foster an open discussion of some very controversial issues among leaders from business, labor, community, and academic groups. The goal was to explore ways of reframing longstanding debates over the legal rights of workers to organize; the forms of representation that should be allowed and encouraged; the strategies unions and other groups use to recruit, organize, and represent workers; and the roles employers play in these processes. Rather than obscure differences among the constituencies represented—or search for superficial compromise and consensus on minor issues—the Task Force sought to foster a frank and honest exchange of views in an open discussion of alternatives that do not reflect the positions that parties in prior debates have endorsed.

For the DOL, the effort served to complement Secretary of Labor Alexis Herman's efforts to both understand the changes taking place in the workforce and determine how policy might respond to those changes—perhaps ahead of the curve. "We understand that we can't predict the future," said Richard McGahey, Assistant Secretary for Pension and Welfare Benefits at the DOL. "But it is necessary to examine broadly from a variety of perspectives where these trends might be leading us. Our hope is primarily to promote dialogue by focusing on broader policy issues, rather than on specific pieces of legislation."

#### New Institutions: A Mix of Challenge and Opportunity

Informing the development of new institutions of employee representation requires a coordinated and com-

prehensive focus on the changing role of the corporation, the changing social contract at work, as well as innovations emerging in union strategies, community organizations, and other groups that are outside of the labor movement. It also necessitates an acknowledgement that, in a transforming economy, not all of the previous forms and functions of institutions will continue to be appro-



priate. "There are reasons why the old structure is crumbling," explains Osterman. "The changing structure of competition, on the one hand, and changing technology and ideas about how to organize institutions and firms, on the other, have become real forces influencing the functioning of the labor market."

According to Osterman, these forces have raised two issues—whether perceived as challenges or opportunities—that new labor market structures must confront. First, a higher rate of mobility among workers and increased turnover in certain industries have led to a reduction in employment security, requiring the establishment of a new set of institutions to support this mobility by, among other things, providing information on job opportunities, access to life-long learning and skill enhancement, and portable pensions, health care, and other benefits. These trends have also launched discussions of how the social contract at work—defined in previous Task Force meetings as the broad expectations and obligations members of society hold for work and employment relationships—has changed (*Blueprint*, April, 1999, Vol. 2, No. 1). Second, an adverse shift in the balance of power with respect to workers—in particular, the erosion of union membership—requires new or transformed mechanisms of representation.

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The potential and pitfalls of alternative forms of workforce representation...

# Inspecting Nonunion Models for Employee Voice

Since the New Deal, the traditional avenue for providing employee voice has been the labor union, whose primary purpose is to regulate relations through collective bargaining agreements. Indeed, the National Labor Relations Act (NLRA) itself places significant constraints on the structure and operation of employee representation within companies that are not unionized, limiting the scope of emerging nonunion committees and groups formed to represent the interests of workers. Some critics of the Act believe that its restrictions adversely affect national competitiveness and the potential for activities such as formalized employee participation to promote positive employment relations.

As union density has decreased, however, new organizations both within and beyond the firm have emerged to fill the gap, finding creative ways to meet workers' needs. And, as some firms have found value in employee involvement and participation, enterprise-level committees and councils have been formed to represent worker perspectives. These employer-based labor organizations—often incorrectly called “company unions”—are considered by many to violate the NLRA, which considers any organization that addresses the terms or conditions of employment but that is created, supported, or administered by management to constitute an unfair labor practice.

Not surprisingly, alternative mechanisms of employee voice have sparked considerable debate among a range of constituencies, with much of the controversy focused on employer-based labor organizations. In particular, unions often view these worker organizations as “shams” that lead to coercion and manipulation, as well as direct threats that compete with union organizing. On the other hand, management tends to view such bodies as being supportive of increased productivity but not necessarily of employee interests.

Three high-profile policy events promise to further intensify the debate. In 1992, the National Labor Relations Board (NLRB) decided that one company had violated the NLRA by establishing five employee action committees to work with management on identifying and resolving sources of employee dissatisfaction around pay and working conditions. In Congress, a coalition of Republicans and Democrats have introduced legislation, the “TEAM Act,” that would reduce many of the barriers for nonunion companies to establish employer-based labor organizations. Finally, the Commission on the Future of Worker-Management Relations, often referred to as the Dunlop Commission, has recommended a slight relaxing of the NLRA's rules while retaining the

ban on company unions.

To help frame a discussion of this ongoing debate around alternative models of representation—particularly enterprise-based organizations—Daphne Gottlieb Taras of the University of Calgary and Bruce E. Kaufman of Georgia State University presented their work on trends in nonunion employee representation plans (NERPs) in the United States. In Kaufman's estimation, “There are two sides to this equation. Employees want more avenues for voice and participation, and I believe employers want a similar mechanism, just structured in a different way. There is an opportunity here—though it is a politically difficult one—to bring labor and management together on these issues in a way that does accomplish both employer and employee goals.”

## NERP Fundamentals: Forms, Functions, and Features

Taras and Kaufman surveyed over 40 case studies of firms that maintained NERPs, which they define as an individual or entity that represents employees in a committee, council, or team, that regularly

meets to discuss workplace issues with company management, and that is established, financed, and operated by the employer.

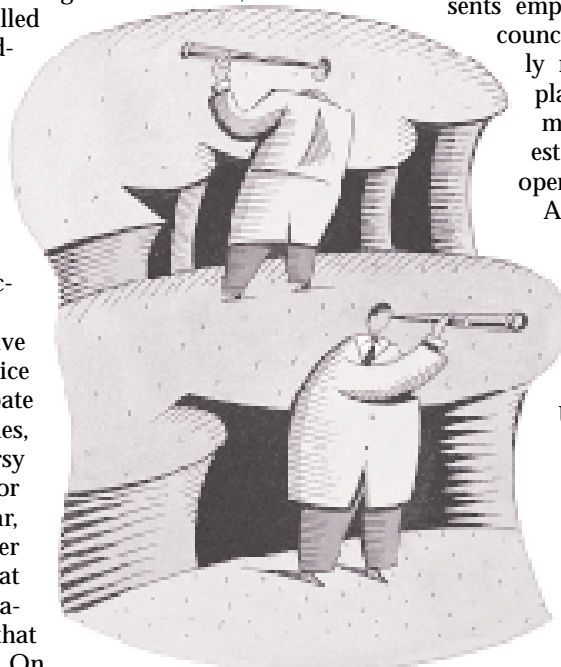
Although many of these functions might be considered as violations of the NLRA, their potential illegality has not limited their growth in U.S. workplaces.

“Regardless of the Wagner Act's constraint against nonunion representation,” said Taras, “about 20 percent of American workers are employed in companies that have formal NERPs in their workplaces. Many may be unwittingly using them in ways that may infringe on the law.”

In addition to their legal ambiguity, controversy surrounds the ultimate place of these organizations in the labor movement and the labor market. “Overall, we found elements on which consensus may never be reached,” said Kaufman. “These

include whether NERPs are substitutes for or complements to unions, or whether they constitute a free-standing system of industrial relations governing a different range of activities.” However, Taras and Kaufman have identified three key issues on which most constituencies, regardless of their perspective, can agree:

**1. Nonunion representation does not make the HR function easier.** Taras likened these organizations to a “pet bear” for employers—this form of rep-



**As union density has decreased, new organizations both within and beyond the firm have emerged to fill the gap, finding creative ways to meet workers' needs.**

## Different Voices:

In addition to employer-led labor organizations, other groups have been organizing employees across firms, within local communities, and according to social identities. Two models described at the Task Force/DOL Symposium provide interesting examples of ways that, in the absence of collective bargaining, employees can organize to influence conditions in the workplace or to address concerns around work and employment that are shared by a local community.

### The Personal is Political: Social Identity Groups within Firms

Where groups of individuals in the workplace share a social identity, there is growing room for organizing to address employer policies and practices. Along with her colleague Amy Segal, Maureen Scully of MIT's Sloan School of Management has been exploring where the front lines of civil rights movements are meeting the conference rooms of workplaces. Scully presented the results of a study she conducted with Segal, which explores how employee-activists pursue changes that question power relations, draw links to broader societal issues, manage risks to careers, and handle the protection and constraints posed by management.

Scully and Segal interviewed employees from nine grassroots groups in one high-tech firm about how their social change agendas are advancing the improvement of conditions in workplace settings. The groups represented women, African-American, Asian-American, gay/lesbian/bisexual, and aging employees. Their primary accomplishments included: increasing awareness of diversity issues as a necessary step toward change in the workplace; mobilizing around specific events to make the environment more comfortable for traditionally marginalized and less powerful employees; improving retention and promotion opportunities; and changing the style of working and the allocation of power.

Specific examples include the African-American Caucus pressing the company to appoint black managers in its emerging South African operation and lobbying to have a person of color appointed to the Board of Directors. The Gay and Lesbian Alliance researched the costs and structure of same-sex partner benefits and worked with HR pro-

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# Other Forms of Non-Union Employee Representation

professionals to provide these benefits to employees. The group also lobbied successfully to move the company's annual sales conference from Colorado to California, after Colorado passed an amendment denying civil rights protection on the basis of sexual orientation. Among the list of activists' tactics include:

- Using social movement language to help energize their efforts;
- Adopting the mechanics of business-like task forces—e-mail correspondence, mission statements, and agendas—to stay organized and focused;
- Courting top management in its own language to garner support and manage risks; and
- Capitalizing on apparent hypocrisies and inconsistencies to identify opportunistic moments and terms for change.

What are the strengths of these groups—their potential for uniting social concerns with workplace issues? What are their weaknesses? “The issues are in line with discussions about ‘good’ and ‘bad’ enterprise-based employee organizations,” said Scully. “On the one hand, they work because they're nimble, adaptable, and mobilize a great deal of energy and passion around these issues, since employees have a venue where they can compare experiences. On the other hand, they have no coordinated agenda, and the groups are fairly vulnerable to the rising and falling tides of their organizations.”

Finally, what's at stake for employers? “Particularly for this high-tech firm, it's the ‘not-a-person-to-waste’ idea,” said Scully. “The employer needs to tap the talents of every employee, and if his or her social identity membership is getting in the way of the employer recognizing and valuing that person's talents, that's a problem. It's part of the commitment to diversity for corporations.”

## Community Unionism: Organizing Labor Around Local Concerns

Increasingly, community groups are organizing around issues of work and economic development—in the absence of unions, offering representation, training, and organizing assistance to low-income and immigrant workers across employers and industries. These groups organize across

territorial and industrial communities and take into account the diversity of worker identities and interests. Their collective activity has led to a new thrust in the labor movement that Janice Fine of MIT's Political Science Department terms “community unionism.” “Community unionism is the political corollary of labor market unionism,” Fine explained. “The community is the fundamental economic organization through which people are connected.”

Examples of community organizing around labor market issues are proliferating. National organizations such as ACORN have partnered with local community groups to mount living wage campaigns across the country. Project QUEST in San Antonio, Texas, joined with the national Industrial Areas Foundation (IAF) to establish a community training and employment center for low-income workers. In Long Island, the Workplace Project's immigrant worker center passed a statewide unpaid wages law. The Baltimore organization BUILD has worked for the enactment of a series of city-wide labor market ordinances, including living wage, right-to-organize, and right of first refusal ordinances, as well as a “school counts” law that allows mothers moving off welfare to count education toward their work requirement. BUILD's latest effort is to pass a \$5 million endowment to create a Taft-Hartley plan, which includes a multi-employer health care plan for Head Start workers.

Why are community groups increasingly organizing workers? “First, they realize that no amount of public subsidy could compensate for the decline in work and wages,” said Fine. “Also, unions were not organizing in these communities. Finally, self-interest motivated inner-city churches with dwindling congregations and overtaxed social service infrastructures to engage in this new experimentalism.” Although these efforts are distinct and shaped by local concerns, they do share several characteristics in common:

- **Community unionism is place-based, nonsectoral, nonoccupational, and nonfirm/industry**

**specific.** “In many cases, one low-wage job in the service sector is similar to the next,” said Fine. “Communities of interest exist more around place, race, and ethnicity.” These groups operate largely outside of the labor movement and seek to organize workers in ways that cut across skill and firm boundaries.

- **Community unionism achieves more wins in the public policy arena and with employers in the public sector.** Thus far, organizing has been geared more toward public policy fights than workplace organizing or representation. These


groups are very successful in raising conditions across a local or regional labor market through regulation, as opposed to collective bargaining agreements with individual employers. But the regulations are largely limited to the public sector or to work that is contracted by the public sector.

- **Community unions benefit from a freedom from bureaucracy, but also suffer from a lack of resources.**

Because these groups are firmly based in community efforts, they

are free to experiment and can avoid the cumbersome formalities that accompany NLRB elections, since membership is looser than in traditional unions. However, dues collection is not always systematized, so they lack the resources and experiences of the labor movement.

- **Community unions challenge the definition of unionism itself.** “Because they haven't been conditioned by labor union structures or labor law, they consider themselves to be worker organizations or unions,” said Fine. “But their approach raises a question about what a union actually is.” These groups neither rely on majority elections nor perform collective bargaining. Finally, while they do represent minority unionism, they often have difficulty relating to labor unions because they are unwilling to subsume their efforts under an international rubric or to become part of a mainstream local or regional structure.



**WORKING PAPER**

For more information on worker social identity groups, order the Task Force working paper:

**“Passion with an Umbrella: Grassroots Activists in the Workplace”**

by Maureen Scully and Amy Segal  
MIT Sloan School of Management

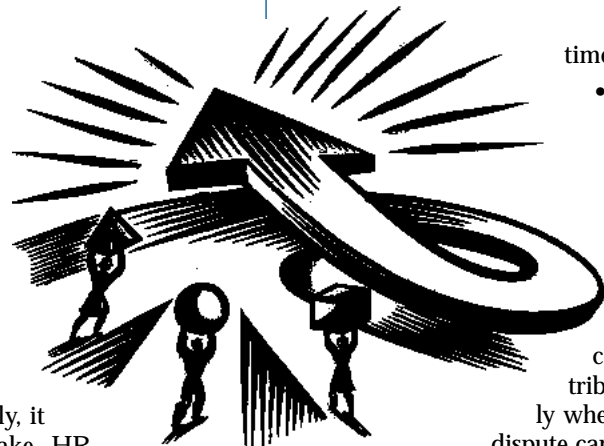
**WP13**



## INSPECTING NONUNION MODELS FOR EMPLOYEE VOICE

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**Employees ... tend to unionize quickly when conditions erode, so it is in the interest of management to honor workers' demands—for example, to pay at or above union wage rates.**



resentation is not only costly, it creates dynamics that make HR practices difficult to manage. "When NERPs do substitute for unions," said Kaufman, "they may well be more cumbersome and challenging than the vehicle they are meant to displace."

**2. Enduring NERPs always match or exceed employment conditions in unionized firms.** "Unlike Senator Wagner's argument that nonunion forms of representation result in competitive forces that drive down worker salaries and compensation packages to the lowest possible denominator," explained Taras, "we actually found no empirical evidence to justify the position." Instead, employees at these workplaces tend to unionize quickly when conditions erode, so it is in the interest of management to honor workers' demands—for example, to pay at or above union wage rates.

**3. The contemporary public policy debate over the loosening of the Wagner Act is misdirected.** According to Taras and Kaufman, arguments focus tightly—and erroneously—on employer interference with labor organizations as an unfair labor practice, when the crux of the problem is the overly broad definition of a labor organization itself, as espoused in the statute.

What forms do mechanisms for nonunion employee representation actually take within firms? Taras and Kaufman reported that, in most cases, the process of classifying these organizations is not clear-cut. In practice, differences often represent fine distinctions—between participation systems characterized by direct employee involvement and representation systems in which workers indirectly channel concerns through employee delegates to management; between online (production-related) versus off-line (working and employment conditions) topics; and between formal versus informal systems. In general, employee groups tackle topics that range from integrative issues such as productivity and quality control to distributive issues such as wages, benefits, and the handling of grievances. Despite considerable variation in the form and function of NERPs, Taras and Kaufman identified several characteristics that they hold in common:

- **NERPs allow employee input in decision-making, but management retains decision-making authority.** NERPs rarely yield permanent or even temporary authority to employees, who may influence decision-making but cannot directly make decisions. "Any 'rights' are almost always delegated by management, which retains the ability to abrogate employee independent authority at any

time," said Kaufman.

- **NERPs are poorly configured for bargaining.**

Because they are management-dominated and -financed, these labor organizations have no real bargaining power for redressing employee concerns around distributive issues, particularly when a labor-management dispute cannot easily be resolved.

- **NERPs can promote fair treatment in the workplace, but they keep disputes within the firm.**

These mechanisms can help firms develop and maintain a policy of fair and equitable treatment among employees. For example, many NERPs offer avenues for pursuing justice within the enterprise and for the disposition of complaints. However, most disallow workers the opportunity to seek counsel or take grievances to third-party neutrals outside the firm.

- **NERPs are well-configured for communication and collaboration.** Although a dominant and explicit theme in the function of these organizations is to provide employee input—particularly in matters involving work processes—opportunities for providing a broader employee voice is most often incidental.

- **NERPs are used by companies to support high-performance practices rather than to address employment issues or societal concerns.** Taras and Kaufman found that NERPs are used more as mechanisms to implement strategic HR management models that further the goals of the firm. The rhetoric speaks of "worksite voice" and "win-win solutions" but never of job security, social values, or the role of the employer as a provider of a safety net.

- **NERPs are usually only one element in a cluster of progressive HR practices.** "They are a signal step in the evolution of management from a commodity model of labor toward a more humane, strategic, and participative model," said Kaufman. "In fact, if their purpose is to expose and resolve grievances, communicate ideas, fine-tune corporate policies to suit employees, and investigate the relationship between productivity and employment conditions in the absence of bargaining, then NERPs have unique advantages over traditional unions."

- **Ironically, NERPs work best in the presence of a strong labor movement.** "In the short haul, bad companies use them during union organizing threats, and when the campaign is over the NERP dissipates," said Taras, "But in the long-haul, the union threat is very vital to managing a good nonunion representation plan." Such a union threat keeps management vigilant and provides employees with the power of a persua-

sive bargaining chip. In fact, Kaufman and Taras cited one study that quantifies the relationship: the higher the union membership in an industry, the more likely the penetration of NERPs in that industry.

### Policy, Principles, and Potential

Much of the narrow debate around nonunion employee representation will be settled in the legislative arena, in the battle over the passing of amendments to existing labor laws. But, beyond their own beliefs about the details of such legislative efforts, participants at the symposium could agree on a few fundamental principles that should continue to guide the development of broader policies:

- **Employers must not be allowed to interfere with workers' choices around organizing.**

The discussion around nonunion representation continually draws a double-edged sword: on the one hand, these organizations can be useful and responsive to worker needs and even to employers' bottom lines; but, on the other, they can be abused by employers or used as a tactic to forestall union organizing. According to Kochan, what pushes the effort in either direction is the issue of worker power. "There is a difference between how these groups can be used as complements when workers really have a right to choose, as opposed to deterring other forms of representation when workers are weak," he said. Any policy discussion, therefore, has to address these new organizations in the context of the presence or absence

of worker power—and with the assurance that worker choice is given top priority.

- **Arguments must try to avoid the union/nonunion split.** Although employers may initially use NERPs to avoid unionization, the issue is not whether traditional forms should be abandoned and new forms promoted, but how effectively the two forms can build on each other's efforts to strengthen worker voice and improve working conditions. Focusing solely on this false dichotomy limits the debate to legislation, while broadly focusing on workplace change and bringing these organizations into the discussion should result in a broader array of changes in labor policy.

- **Policymaking must be stretched beyond legislation to the support of local efforts.** As more local, community-based coalitions and organizations emerge with the capacity to effectively represent workers and address workplace concerns, the notion of policymaking can be extended beyond labor law to efforts around rebuilding institutions at the local level and providing the resources and authority necessary to address workplace issues. "There is also a lot of room for developing the capacity of labor organizations within and beyond the firm and tying those efforts to the new roles being filled by unions," said Kochan.

### WORKING PAPER

For more information on nonunion forms of representation, order the Task Force working paper:

"What Do Nonunions Do? What Should We Do About Them?"  
by Daphne Gottlieb  
Taras, University of  
Calgary and Bruce E.  
Kaufman, Georgia State  
University

WP14

New organizing and organizational strategies toward a reinvented labor movement...

# Rethinking Union Structures, Rebuilding Union Capacity

**T**he overriding conception that many Americans have of the labor movement is one of dwindling membership and power, with rigid and bureaucratic structures struggling to regain ground as the economic landscape shifts rapidly beneath them. What few have recognized is that the labor movement is attempting to transform itself at all levels: from the bottom-up, as local unions engage in new strategies for organizing workers; from the center-out, as central labor councils and multi-union organizing draw together previously disjointed efforts; and from the top-down, as the AFL-CIO takes the lead in reshaping the movement at the national level.

Symposium presenters discussed the retooled strategies of the labor movement at all of these levels and also reported on new experiments around organizing and capacity-building that have been initiated across employers, industries, and the nation (see sidebar on page 7).

## Organizing Innovations: The Role of Local Unions

Saul Rubinstein of Rutgers University has been tracking the activities of innovative union locals that are rethinking their strategies, roles, and structures in response to competitive pressures or through negotiated opportunities such as cooperative partnership agreements. While the characteristics and industries of these locals—affiliated with national unions as diverse as the CWA, IBEW, UNITE, USWA, UAW, and SEIU—differ significantly, they share one fundamental characteristic. All have expanded their activities beyond the traditional function of union locals. Common principles are also emerging out of their wide variety of experiences:

- **A Changed View of the Role of Management.** “Management is seen much more as a function, not as a class of employees,” said Rubinstein. “The locals know that if they introduce the voice of labor in the management function by actually taking on management decision-making, it is a way to increase the representation of collective interests.” To be successful in this arena, however, local union representatives must also be involved in setting the decision-making agenda—not just in responding to one management has already set. In addition, Rubinstein reports that many of these locals are involved in areas that historically have been the sole purview of management: strategy formation, product development, technology selection, and the implementation of new forms of production, budgeting, finance, manpower allocation, supplier and employee selection, and actual operations management.
- **Expanded Capacities and Skill Requirements.** Given these new managerial functions, the capacity and skills of locals and their representatives have been stretched in several ways. “The first is the ability to balance responsibility for representing individuals whose rights have been violated, collective representation, and collective bargaining with contributions to business decisions,” Rubinstein explained. The second is the development of local leadership with a cross-functional understanding of a firm’s business in order to contribute broadly to decision-making. “Locals

have had to organize resources around these multiple roles, with a new division of labor within the firm and in the reshaped structure of the local itself,” he said.

- **Targeted Organizational Development.** To both manage the union and engage with management, innovative locals have been forced to grapple with structural problems that require organizational development. Traditional local structures have a division of labor that provides resources to support individual representation through grievance committees and collective representation through a bargaining committee. According to Rubinstein, this organizational form is poorly suited to the pursuit of new organizational responsibilities such as strategy formulation, finance, budgeting, and product development. In order to balance the needs of representation and co-management, many locals have undertaken internal reorganization, developing forums for reporting to the rank and file and receiving its input.
- **A Proliferation of New Structural Forms.** Related to the organizational realignment required to carry out these new functions, many locals have created a variety of both off-line and on-line structures. “The off-line forms are for the local’s leadership to widen governance responsibilities in joint labor-management committees with their non-represented counterparts,” said Rubinstein. “This strategy allowed the firm to engage in cross-boundary linkages with customers and suppliers as well as the corporation and national union.” On-line efforts include involving the membership in self-directed or -managed teams or embedding them in managerial positions within the organization.
- **Challenges Around Solidarity.** “These new roles and capacities raise an issue around enterprise unionism versus solidarity with other locals,” said Rubinstein. “Locals tend to have an enterprise focus in order to engage in business decisions, but there’s some question about whether this role compromises their solidarity with other locals and the national union.”

## Coordinating Regional Efforts: Central Labor Councils

The historic role of the approximately 600 Central Labor Councils (CLCs) around the United States has been to engage in regional political and legislative action around elections, fundraising, and lobbying, as well as to coordinate union response to and participation in community activities and service provision. As Susan Eaton of MIT’s Sloan School of Management explained, local unions are not required to affiliate with their CLCs, and the “voluntary” nature of their membership raises a set of issues around relationships with constituencies and the availability of resources. “Since revenue is primarily from membership dues, with some support from the AFL-CIO,” said Eaton, “CLC leadership had to convince locals to affiliate or they would lose their funding. Yet they represent the labor movement generally—the AFL-CIO at the territorial level—and are not directly responsible for organizing workers or negotiating agreements.” One of the first actions taken by John



Sweeney as the new president of the AFL-CIO was to assemble CLC leaders at a conference to discuss ways of revitalizing the fundamental role of these councils. Sweeney and the Executive Council reorganized the structure of the AFL-CIO and increased its diversity, creating four new regions and appointing regional and state directors as well as some local representatives. The new officers, in partnership with the Central Labor Council Advisory

Committee comprised of a cross-section of CLC leaders, also launched the Union Cities campaign, which created an entirely new role for CLCs. “The idea of Union Cities was to create strong communities and permanent alliances with community-based groups,” Eaton explained. “CLCs now have a new role in union member education and mobilization, which is very unusual since they traditionally had stayed out of matters internal to local unions and the role of organizing.”

In many cities, CLCs have risen to the occasion, developing rapid response mechanisms for supporting organizing, contract battles, and community campaigns. CLCs have also continued to work in the political arena, but have begun to focus on building power and religious/community coalitions, as well as on developing regional training programs as part of economic development efforts. The AFL-CIO may seek to further reinforce all of the work being done at the state and local levels through a new program—to be called “The New Alliance”—which will be voted on this fall at its convention in Los Angeles.

**The labor movement is transforming itself at all levels: from the bottom-up, as local unions engage in new strategies for organizing workers; from the center-out, as central labor councils and multi-union organizing draw together previously disjointed efforts; and from the top-down, as the AFL-CIO takes the lead in reshaping the movement at the national level.**



## RETHINKING UNION STRUCTURES, REBUILDING UNION CAPACITY

*Continued from page 5*

While the changes enacted by Sweeney and the new leadership represent a great deal of promise for the future of CLCs—particularly around local collaboration and community building—Eaton believes that open questions remain about the effectiveness and sustainability of the CLC's reinvented role:

- Can the community focus of the new CLCs win support among the public and their allies, as well as recognition that they represent all working families, as they seek to do, rather than unionized workers only?



As part of a move to reinvigorate the labor movement, the AFL-CIO is spearheading a series of experiments involving strategic organizing across unions and in conjunction with the national federation.

- How will the CLCs raise additional funds to support their new organizing and educational roles?
- How will CLCs support organizing efforts—a demanding role that constitutes a fundamental charge in their missions—while still engaging in political activity and fulfilling the expectations of union members?

### Crossing Boundaries: Multi-Union Organizing

As part of a move to reinvigorate the labor movement, the AFL-CIO is spearheading a series of experiments involving strategic organizing across unions and in conjunction with the national federation. According to Jane McAlevey, who heads the Stamford Organizing Project for the AFL-CIO, these initiatives are intended to develop and test innovative practices and, ultimately, to determine how lessons learned might be brought to scale. The campaign's primary motivations are to organize workers in greater numbers and in less time, while their secondary motivations are to reframe labor's relationship to the community, as well as how the community views the labor movement. These highly collaborative projects have engendered innovative institutional structures that transcend many of the boundaries that, historically, have fragmented labor efforts.

McAlevey's campaign represents a geographically-based, multi-union organizing partnership between the AFL-CIO, three international unions, and four union locals: the SEIU, HERE, and the UAW. The partnership is managed by the Federation, which provides a campaign director, a strategic researcher, a community organizer, and an office manager; the local affiliates agree to send

staff to serve as organizers. "With this organizational structure and shared funding between the locals and the national federation, we have a common office and share staff as needed on each other's campaigns," said McAlevey. "We also share a collective approach for the public campaign aspect of our community campaign building." The Project's advising structure is also collaborative, as it maintains a collective board with representation from the local presidents, the lead organizer on the Project, and the Federation.

While the Project is propelled by national support and collaboration, it has a local focus. In this case, organizers have drawn together to address the egregious income inequality in Fairfield County, Connecticut, and the exploitation considered to be rampant in the county's predominantly service-sector jobs. "After systematically analyzing the power structure in the area," said McAlevey, "we realized that we had to retrain our thinking as unions and reframed our public message to eliminate the notion that unions are somehow separate from the community: workers are the union; workers are the community; therefore the unions are the community." The Project began to train its leaders to take an active role in both the campaign and in community work, as well as develop ties to local legislators, clergy, and civil rights groups. Thus far, the Stamford Organizing Project—in existence for only one year—has forged a sustainable and truly community-based campaign around workers rights and economic justice.

Using the leverage gained by collaborative work and support from community leaders, the Project has won substantial victories and influential allies in an incredibly short amount of time. When fighting one company's anti-organizing campaign, the Project gained the support of the state legislature, including the majority leader, who made a public call for neutrality. In a major public-sector campaign to organize health care workers, it helped to move the leadership of the legislature to have District 1199 win a \$210 million allocation from the State of Connecticut for salaries and improved staffing levels, and even changed the legislature's funding formula.

### Refocusing National Leadership: The AFL-CIO

Ron Blackwell of the AFL-CIO recounted a defining moment in the renewal of the American labor movement: "When Sweeney won the contested election in 1995 he said, 'The problem is not who heads the labor movement, but where it is headed—toward irrelevance.'" The acknowledgment was that, at least at the national level, labor needed to expand the scope of its organizing efforts to meet the needs of a rapidly changing workforce with many new concerns. "The labor movement in the United States had always maintained the ability to contribute a measure of dignity for people at work, to lend fairness in the way income is distributed at the bargaining table, and to be a voice for social justice," said Blackwell. "But we had, over the years, become less relevant to our membership—to addressing changing conditions at work, at the bargaining table, and in society."

Under Sweeney's direction, the AFL-CIO has arrived at a strategy for revitalizing the labor movement that consists of four major components: organizing; building political voice and power for workers; helping unions change in order to give workers a voice in a rapidly changing global economy; and helping unions change to give workers a voice in their local communities.

"We recognize that the economy is changing—and think that it is moving in the wrong direction," said Blackwell. "We want to put the power of the national labor movement behind our local affiliates to help unions become influential in

developing the strategies that will put us back on track." The AFL-CIO has reorganized its offices and initiated a series of strategic programs in order to meet this challenge:

- **Developing worker education programs to support organizing efforts.** According to Blackwell, many workers no longer recognize that the problems they face at work are actually *work-related* problems. As an example, he questioned whether Texaco's African-American workers were attributing discrimination by their employer to racism in society, not racism in the workplace. The AFL-CIO is developing an education program to help workers recognize that the problems at work are, in fact, work-related; that collective, rather than individual, action is often necessary for solving these problems; and that unions can serve as effective vehicles for such action.
- **Directly supporting highly focused organizing campaigns with the potential for success.** The AFL-CIO's Center for Strategic Research is targeting entire sectors of the economy for organizing at a pace and scale never attempted before—a strategy that requires a two-fold focus. First, unions need to win in organizing campaigns that matter for helping unions rebuild power in their traditional jurisdictions. Second, unions must reposition themselves to organize in places where the economy is growing.
- **Paving the high road—and blocking the low road—toward corporate responsibility.** "We want our employers to be successful. They have to be successful—our jobs depend on it," said Blackwell. "We want them to meet their competition in ways that don't disadvantage the people who work for them and are not indifferent to the communities in which those companies are active." Blackwell explained that paving the high road involves identifying businesses and competitive strategies that focus on product quality, promote continuous innovation, stress customer service, and meet price competition through increases in productivity. At the same time, the labor movement should work to block the low road—pressuring companies that insist on remaining competitive by weakening unions, undermining job security, and slashing wages and benefits.
- **Organize pension funds to yield high long-term returns to retirees by supporting high-road corporate competitive strategies.** The AFL-CIO's Office of Investment is focusing its efforts on how capital markets can more effectively meet the needs of working families. The Center for Working Capital is an independent non-profit organization affiliated with the AFL-CIO that will press for a greater voice for workers in global capital markets.
- **Fostering training for local economic development.** The AFL-CIO-affiliated non-profit Working for America Institute focuses on a traditional union function—training—with an updated approach that includes the reform of work organization, industrial modernization, and technological change in the context of regional economic development.

Where does this range of effort—at multiple levels—leave the American labor movement? The reality is that despite these innovations, the decline in union density has not yet been reversed. Other strategies will be needed to appeal to a broader cross-section of the labor force. How to accomplish that reversal still constitutes an open debate within the labor movement itself and among those who believe in its value to society.

## Rethinking Union Structures, Rebuilding Union Capacity

# Innovation on the Ground: New Approaches to Union Organizing

In addition to discussing strategies for renewing the labor movement across its various tiers, the Symposium also sought to highlight the innovation and experimentation occurring around organizing—not only in craft-based and traditionally union-dense sectors but also in the service sector and industries in which organizing has been difficult or even nonexistent.

### From Decline to Expansion: Increasing Union Capacity in the Building Trades

According to Jeff Grabelsky, a researcher at Cornell University and a member of the IBEW for over 20 years, the transformation occurring in union representation within the building trades is not being driven by an intrinsic desire on the part of union leadership and membership to change. Instead, it is being prompted by new demands in the industry: the introduction of new technology, which has deskilled construction; the emergence of the construction manager and the decline of the general contractor; the intervention of corporate construction users in the collective bargaining process; and the emergence of regional and national contractors that have forced unions to restructure according to the new shape of the industry.

However, the most significant shift in the sector has been the decline in the union share of workers and the rise of open-shop alternatives, which in Grabelsky's estimation have had the most dramatic impact on how the labor movement in the building trades has shifted strategies to recover lost ground. "The rise of the open shop has occurred alongside of and contributed to dramatically expanding employment, declining union membership, falling union density, shrinking union market share, declining wages across the industry, and the erosion of union bargaining strength and political influence," Grabelsky said.

How have unions in the building trades retooled their approach? The initial response was to directly challenge open shops by developing competitiveness strategies that included lowering the cost of union construction if it made union contractors more appealing, and to market union shops more effectively to construction users. Later, a more sophisticated job-targeting strategy emerged; the union would create a fund so that concessionary wages would be shared by an entire membership and not just the workers employed in the targeted projects. "In the end," said Grabelsky, "these efforts were a way to avoid the real, fundamental challenge of organizing 4 or 5 million unrepresented workers who had been kept out of the unions. It was the only way for the building trades to reestablish themselves as a dominant force in the industry."

To embrace and deploy a strategy built around organizing—particularly organizing workers who had been historically excluded from membership—was exceedingly difficult, given an entrenched phi-

losophy among the membership of "keeping certain people out." What the building trades ultimately developed was the COMET program, for "Construction Organizing Membership Education Training," which was designed to reach out to rank-and-file members and explain why organizing was important. "That program, among other efforts," said Grabelsky, "helped the membership understand the relationship between union density and bargaining strength, which really became the handle to mobilize membership support."

The measure of success for the building trades focused organizing efforts supported by membership education is that it represents the only sector of the labor movement to experience an increase in union density for two consecutive years. Still, Grabelsky believes that further innovations are necessary in order to reorganize the industry. Specifically, he calls for multi-trade organizing that includes the 15 affiliates of the building trades, market-wide organizing that does not target individual contractors but all significant competitors in any market segment, and infusing organizing activity with greater strategic focus.

### Building on Legacies and Linked Agendas: The Communications Workers of America

While deregulation has made the telecommunications industry one of the fastest-growing sectors of the economy, it has also led to rising income inequality and variations in workplace practices that have challenged the Communications Workers of America (CWA) to redefine their approach to representation. "The CWA is pursuing an aggressive and very innovative triangular strategy focusing not just on organizing but also on collective bargaining and politics," said Harry Katz of Cornell University, who has been studying the renewed tactics of the CWA with his colleague Rose Batt. "What is even more innovative is their linking of activities across these dimensions: efforts in organizing are connected with and complimented by efforts in collective bargaining or political lobbying," he explained.

For example, through collective bargaining, the CWA was able to win important card check and neutrality clauses that support their organizing agendas. Similarly, through political activity—whether represented by filings with the FCC at the federal level or informal lobbying around a political regulatory agenda—the CWA has been pushing issues that overlap directly with its collective bargaining and organizing agendas. "Essentially, they have developed a way to regain power in the face of disadvantages, counterbalancing the ability of companies in their industries to operate more


easily during strikes, to ship resources abroad, or to outsource," said Katz.

In part, the CWA's current efforts have been successful because they are built squarely on institutional legacies. As Katz explained, "They don't innovate in an area that is completely foreign, but extend things done in the past. For example, one of the CWA's important strategies regarding organizing, what they call mobilization, builds on their historic representation of employees in the public sector who were unable to strike."

Batt related several examples of how the CWA is both engaging in linked activity and building on a rich institutional legacy in order to address the technical and professional identity of its workforce and to organize the sector's growing number of independent contractors, freelancers, and temporary workers:

- **Organizing Customer Service Professionals.** In 1997, the CWA organized 10,000 USAirways service agents and is awaiting a rerun election for 15,000 service agents at American Airlines. "The union first developed a model of the customer service professional which links quality jobs to quality service, as well as builds on the historic sense of public service among the telephone operator membership," said Batt. Creative internal organizing has constructed a strong network of customer service and sales representatives across the country. The network, in turn, was critical to winning the USAirways election, which relied heavily on member-to-member organizing by thousands of geographically dispersed CWA members.

- **Associational Unionism.** WashTech, an association representing software professionals in the state of Washington, has affiliated with the CWA and protested attempts by software companies to exempt some temporary workers from receiving overtime, as well as Microsoft's unequal treatment of "permatemps" who were ineligible to receive full-time employee benefits. CWA affiliation has provided resources, staffing, and technical support, and WashTech has pursued legal, political, and legislative remedies for contingent workers in the state. On May 13, 1999, the Ninth Circuit Court of Appeals in San Francisco found in favor of the plaintiffs in the Vizcaino v. Microsoft law suit, ruling that at least 10,000 former temporary workers since 1986 should have been able to participate in Microsoft's Employee Stock Purchase Plan. "In this case," said Batt, "the union could not rely on traditional collective bargaining tools, but on legal, political, and legislative efforts."



**WORKING  
PAPER**

For more information on the CWA's new organizing strategies, order the Task Force working paper:

**"The Strategic Initiatives of the CWA: Organizing, Politics, and Collective Bargaining"**

by Rose Batt,  
Harry C. Katz, and  
Jeffery H. Keefe  
Cornell University

**WP15**



• **Employment Centers and Hiring Halls.** CWA has a long history of developing employment centers to match union workers or retirees with employers for short-term contracts, serving as a supplier of labor and negotiating work terms and conditions. The most promising effort to date is its current project with Cisco Systems, a nonunion company, in which the union is licensed as a “regional academy” to train and certify technicians on Cisco’s equipment. This joint effort builds on Cisco’s well-developed training program and the CWA’s ‘Military-to-Work’ program. It will use a jointly-developed online skills assessment for testing, training, and job placement. “The effort draws on the CWA’s historic root of embracing technological change and using the training of its technical workforce to find new ways of organizing,” said Batt.

#### **Determining the Employer: The SEIU and Home Care Workers in California**

After a ten-year struggle, an unprecedented 75,000 home care workers in Los Angeles voted to join the Service Employees International Union (SEIU) in early 1999. The win was big on many fronts—not since 1941 had such a large number of workers been unionized at once, and the campaign organized predominantly minority, immigrant, and low-wage women in the traditionally nonunionized social services sector. “The story is one of persistence, political strategy, and coalition building,” said Rachael Cobb of MIT’s Department of Political Science. “It was a struggle against a model of homecare in the state of California that blurred the lines of who was the employer of record.”

A strong disability movement in California had lobbied for the delivery of services that could be controlled by the client—including in-home personal attendants hired by the consumer—instead of services provided in institutional settings. In response, the state apportioned dollars for homecare services and devolved the administration of the program to counties, which established In-Home Supportive Service systems (IHSS) through its social service agencies. Rather than contracting with an agency to provide in-home services, IHSS placed the responsibility on the consumer to locate and hire a homecare worker. “Who was the employer?” asked Cobb. “The IHSS system received funding from a combination of state and federal funds. County social workers assessed the eligibility of consumers for homecare assistance. The state cut the homeworkers’ paychecks, while the consumer was the one who located, hired, and fired them.”

While public dollars were being expended to help homecare consumers remain independent and productive, L.A.’s homecare workers were making minimum wage and receiving no benefits, including health care and paid vacations. A group of organizers who had successfully unionized homecare workers in other parts of the country began exploring the potential for such a campaign in California—and quickly met a series of complica-

tions. Cobb explained the first challenge: actually reaching the workers. “Because there was no single place of employment, because the registry system did not function, because clients were responsible for finding and hiring workers, these homecare workers acted as independent contractors with no associations or systems to bring them together,” said Cobb.

The key obstacle, however, was that no agency would accept responsibility as the employer of record. The SEIU brought suits against the State of California and the County of Los Angeles—but to no avail. Finally, the SEIU turned to the state legislature, which passed a law in 1992 mandating that each county should establish a public authority to serve as the employer. Counties were given the option to contract with a nonprofit consortium, establish by ordinance a public authority separate from the county, or establish by ordinance a public authority governed by the board of supervisors.

In addition to pursuing a ground-breaking decision about the employer of record, the SEIU engaged in other innovative activities that stretched the traditional role of union organizers:

#### • **Lobbying the L.A. County Board of Supervisors.**

The SEIU needed to convince the Board that a centralized, public authority system under its governance was the best option for the County, since it would streamline a referral system, provide training, and maintain some level of quality control. The Board was opposed to the proposal, so the SEIU engaged in a lobbying campaign to change its position. “What organizers soon realized, however,” said Cobb, “was that it required the collective political clout of its members and the support of consumers to sway the Board’s opinion.”

• **Grassroots Political Organizing.** “While it was organizing Los Angeles workers, the SEIU local had not bothered to ask whether the workers were registered to vote,” Cobb said. “It realized that grassroots political organizing was necessary to gain County support.” Organizers began mobilizing workers to engage in the political process, focusing on state-level and local elections.

• **Building Coalitions with Consumers.** According to Cobb, the union also encountered the resistance of homecare consumers, who feared the union might impose limits on the type and amount of services they received. To combat consumer concerns—as well as the worry of homecare workers that becoming unionized would threaten their relationships with clients—the SEIU actively built a coalition with consumers, the disability movement, and the senior movement. It was able to educate this constituency about the benefits of unionization, including the provision of training, reduced turnover, and improved consumer-care-giver relationships.

#### **From Associations to Collective Bargaining: The Committee of Interns and Residents**

In 1997, the Committee of Interns and Residents

(CIR), which represents 9,000 interns and residents in six states, affiliated with the SEIU; recently, it joined with other doctor unions to form the National Doctors’ Alliance, which bargains collectively for 15,000 doctors. “Obviously, doctors are not the first group of workers to come to mind when discussing unions,” said Sandra Shea of CIR, “but they represent a unique example of how organizing can evolve from professional associations to collective bargaining.”

Physician unions have grown in appeal, as doctors have felt increasingly powerless in the face of pressure from managed care and insurance companies. The organizing of interns and residents seems less unusual, when one considers the limited control they have over their work and working conditions. “Many of their concerns are basic, trade union issues,” said Shea, “like making a living wage to put food on the table and to pay back enormous student loans, dealing with unusually long working hours, and poor working conditions. They walk a fine line between the really hard work it takes to learn this profession and outright exploitation and misuse of their time and concern for humanity.”

Most unionized interns and residents are found in the public sector, where public labor boards tend to grant them the status of employee. In the private sector, which holds the majority of the nation’s interns and residents, a ruling by the NLRB 20 years ago has denied these young doctors that same status, labeling them as “students” instead. However, as part of a larger organizing strategy, CIR has recently engaged in an effort to overturn that decision by bringing a case against the Boston Medical Center. “If we can win on this decision,” Shea said, “it will open up our union to engage in collective bargaining for a significantly larger number of people.”

Meanwhile, the CIR has been kept busy handling physicians’ growing interest in unions. Shea explained: “The phone is ringing off the hook at the National Doctors’ Alliance in response to our post-residency physician organizing campaign. Many have an interest in unionizing because they’ve lost control of their professions. They’re angry with the American Medical Association for looking the other way.” In fact, the Association’s membership has been decreasing annually, while a contentious internal debate rages regarding whether or not it should establish a collective bargaining arm, similar to that of the American Nursing Association. Regardless of the umbrella under which physicians organize, this previously untapped segment of the labor market may prove to infuse new energy into the American labor movement. There are approximately 600,000 post-residency doctors across the country, and the estimate is that almost 40 percent already fall into what would be considered an “employee” category and could potentially unionize.

## REFRAMING INSTITUTIONS OF REPRESENTATION

*Continued from page 1*

### What Employees Want: Greater Voice and Responsibility

From the perspective of the employee, what shapes might these new forms of representation take? On many issues, current employee preferences are relatively unchanged from those of the 1970s. For example, surveys as far back as the 1976 Quality of Employment Survey conducted for the Department of Labor up through comparable national surveys in recent years consistently report that:

- Between 30 to 45 percent of nonunion workers indicate that they would join a union if afforded the opportunity;
- Roughly 90 percent of union members would vote to keep their unions;
- Between 70 and 90 percent report that they want to have a say in how their work is performed and organized; and
- A majority of workers want greater influence on decisions around benefits, wages, and training.

In more recent surveys, two additional issues have surfaced. First, concern for achieving a better balance between work and family responsibilities now rates as a high priority for workers, reflecting the increased number of hours working parents are supplying to the paid labor force. Unfortunately, data that can track this trend historically are not available, since similar questions were not frequently asked in prior decades.

Second, in a survey administered by Joel Rogers and Richard Freeman in 1994, employees expressed a new concern over voice and representation. "As Freeman and Rogers have found, employees are saying that they want more voice," explained Thomas Kochan of IWER. "They have a strong preference for labor-management committees and joint activities and are looking for ways to resolve disputes with their employer through forms of representation that give them more control and more say. Workers express that they want more decentralized and varied options for workplace representation/organization and they expect their employers to cooperate with these processes."

In fact, worker responses point to a demand for both a mix of new forms of organization and an extension of current labor representation. "Not only are preferences varied," said Kochan, "workers do not see the variation as substitutes or mutually exclusive alternatives. They want to see complementary institutions—unions and collective bargaining complemented with direct participation at the workplace and with other forms of representation."

### The Shifting Social Contract: Promises and Limitations

Employees clearly know what they want—but what are they, in fact, getting? What do employers require from their workforces in order to compete in today's market? To address these questions, participants revisited a discussion initiated at earlier meetings on the various ways in which companies, unions, and workers have attempted to rebuild a social contract at work that is responsive to the expectations and needs each party brings to the employment relationship. What became most evident was the significant variation in the terms of

these social contracts.

Firms such as Saturn, with its formal co-management arrangements, United Airlines with employee ownership and representation on the company's board, and Xerox, with the management-UNITE partnership and employee involvement, sit at one end of the spectrum. At the other are employers with implicit contracts, such as Eastman Kodak, a company with a long history of "paternalistic" commitment to its workers and the Rochester, NY, community that was forced to resort to downsizings and layoffs in recent years. Kodak's current pledge to its employees is to provide them with open and honest information on their future job prospects, access to learning and training opportunities to keep their skills current, and labor market adjustment assistance if reductions are needed in the future.

Somewhere in the middle is Lucent Technologies, which is building on AT&T's legacy but recreating its own approach to human resources to fit a highly competitive and rapidly shifting technology industry. Lucent stresses the establishment of a culture of innovation and the recruitment of knowledge workers, while simultaneously negotiating a new relationship with its 48,000 unionized manufacturing employees who face constant outsourcing threats.

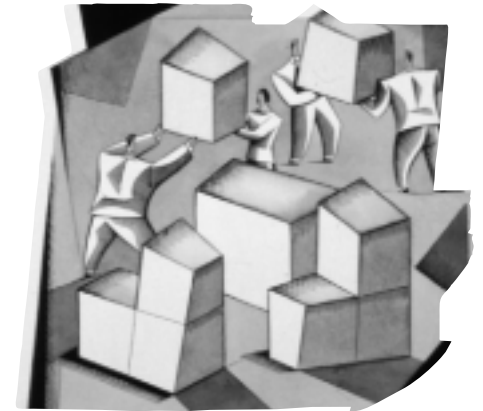
From the perspective of the employer, the definition of a new social contract cannot ignore the realities of the market. As Ralph Craviso of Lucent explained, "There are two forces redefining the social contract. One is the changing business model, which is a response to technology and competition. The other is a response to the marketplace for labor." According to Craviso, where corporations are defining their compensation and benefits packages, it is in order to adjust to the labor market—particu-

larly to the competition for highly skilled professionals who want 401k or other types of mobile pension plans and stock options that allow them to share immediately in the gains they help produce. In this context, the labor-management environment requires both parties to recognize that the expectations of this segment of the labor force have changed. New company start-ups have an advantage here because they can tailor staffing and compensation policies to fit these demands without grappling with the equity issues that such changes raise among incumbent workers. Clearly, the rules of competition in both product and labor markets have changed, and business must respond accordingly.

Yet, from the perspective of labor, the constancy of change does not invalidate the role of worker voice in responding to it. "Workers are entitled to some reciprocity, some kind of contract, some kind of mutual understanding," said Lynn Williams, formerly of the United Steelworkers. "We require new governance structures in a new social contract that is consistent with the changing times." According to Nancy Mills of the AFL-CIO, the change in the role of workers and their representatives within firms and the increasing value of human capital in contributing to a firm's success constitute a legitimate claim to such reciprocity. "There is change in both directions," she explained. "Unions and workers are no longer simply reacting to management decisions, but are directly or indirectly contributing to business strategy and performance through online teams and shared decision-making processes, and various

offline participation and problem-solving groups. If employers want workers to make a major contribution, then they need to think about social contracts that establish some kind of obligation to those workers."

## BuildingBlocks




### Community Level Strategies

Susan Christopherson of Cornell University described key features of successful responses to changes in corporate practices that go beyond the enterprise. She has examined community-wide and regional initiatives such as the Wisconsin Regional Training Partnership in Milwaukee, the Garment Industry Development Corporation in New York, and emerging efforts in Rochester, NY, and identified the following essential elements of best practice:

- While many initiatives build on European models of collaborative labor-management relations, they address the systemic barriers to inter-firm and labor-management cooperation that are specific to the United States and endemic to a short-term investment regime.
- They represent public-private initiatives directed at building sectoral strengths using a collaborative framework. In other words, they attempt to construct a sectoral voice that includes both labor and employers.
- They demonstrate an ability to leverage the power of more skilled workers—who have more bargaining power in this labor market—in order to extend training and other workforce development opportunities to workers with lower levels of skill.
- They connect workforce development initiatives to a broader urban economic agenda by working with community development corporations and providing training to those who are outside of the labor market.

The variation inherent in the contracts themselves and in the outcomes for workers and firms reinforces the notion that there is no "best practice" or "single bullet" to guide the formation of new social contracts that serve both employee and employer interests. A range of settings and conditions in an equally varied number of industries requires a range of options. There are, however, common themes emerging from these cases that do

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**WORKING PAPER**

For more information on on community responses to corporate practices, order the Task Force working paper:

**"Community-Level Strategies: The Case of Rochester,"**

by Susan Christopherson  
Cornell University

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